

State of Arizona  
House of Representatives  
Forty-seventh Legislature  
Second Regular Session  
2006

# HOUSE BILL 2874

## AN ACT

AMENDING SECTIONS 15-185, 15-703, 15-901, 15-901.03, 15-910.03, 15-915, 15-941, 15-943 AND 15-945, ARIZONA REVISED STATUTES; AMENDING SECTION 15-2041, AS AMENDED BY LAWS 2005, CHAPTER 272, SECTION 4 AND CHAPTER 293, SECTION 1; MAKING APPROPRIATIONS; RELATING TO KINDERGARTEN THROUGH TWELFTH GRADE EDUCATION BUDGET RECONCILIATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-185, Arizona Revised Statutes, is amended to  
3 read:

4 15-185. Charter schools; financing; definitions

5 A. Financial provisions for a charter school that is sponsored by a  
6 school district governing board are as follows:

7 1. The charter school shall be included in the district's budget and  
8 financial assistance calculations pursuant to paragraph 3 of this subsection  
9 and chapter 9 of this title, except for chapter 9, article 4 of this title.  
10 The charter of the charter school shall include a description of the methods  
11 of funding the charter school by the school district. The school district  
12 shall send a copy of the charter and application, including a description of  
13 how the school district plans to fund the school, to the state board of  
14 education before the start of the first fiscal year of operation of the  
15 charter school. The charter or application shall include an estimate of the  
16 student count for the charter school for its first fiscal year of operation.  
17 This estimate shall be computed pursuant to the requirements of paragraph 3  
18 of this subsection.

19 2. A school district is not financially responsible for any charter  
20 school that is sponsored by the state board of education or the state board  
21 for charter schools.

22 3. A school district that sponsors a charter school may:

23 (a) Increase its student count as provided in subsection B, paragraph  
24 2 of this section during the first year of the charter school's operation to  
25 include those charter school pupils who were not previously enrolled in the  
26 school district. A charter school sponsored by a school district governing  
27 board is eligible for the assistance prescribed in subsection B, paragraph 4  
28 of this section. The soft capital allocation as provided in section 15-962  
29 for the school district sponsoring the charter school shall be increased by  
30 the amount of the additional assistance. The school district shall include  
31 the full amount of the additional assistance in the funding provided to the  
32 charter school.

33 (b) Compute separate weighted student counts pursuant to section  
34 15-943, paragraph 2, subdivision (a) for its noncharter school versus charter  
35 school pupils in order to maintain eligibility for small school district  
36 support level weights authorized in section 15-943, paragraph 1 for its  
37 noncharter school pupils only. The portion of a district's student count  
38 that is attributable to charter school pupils is not eligible for small  
39 school district support level weights.

40 4. If a school district uses the provisions of paragraph 3 of this  
41 subsection, the school district is not eligible to include those pupils in  
42 its student count for the purposes of computing an increase in its revenue  
43 control limit and district support level as provided in section 15-948.

44 5. A school district that sponsors a charter school is not eligible to  
45 include the charter school pupils in its student count for the purpose of

1 computing an increase in its capital outlay revenue limit as provided in  
2 section 15-961, subsection C, except that if the charter school was  
3 previously a school in the district, the district may include in its student  
4 count any charter school pupils who were enrolled in the school district in  
5 the prior year.

6 6. A school district that sponsors a charter school is not eligible to  
7 include the charter school pupils in its student count for the purpose of  
8 computing the revenue control limit which is used to determine the maximum  
9 budget increase as provided in chapter 4, article 4 of this title unless the  
10 charter school is located within the boundaries of the school district.

11 7. If a school district converts one or more of its district public  
12 schools to a charter school and receives assistance as prescribed in  
13 subsection B, paragraph 4 of this section, and subsequently converts the  
14 charter school back to a district public school, the school district shall  
15 repay the state the total additional assistance received for the charter  
16 school for all years that the charter school was in operation. The repayment  
17 shall be in one lump sum and shall be reduced from the school district's  
18 current year equalization assistance. The school district's general budget  
19 limit shall be reduced by the same lump sum amount in the current year.

20 B. Financial provisions for a charter school that is sponsored by the  
21 state board of education or the state board for charter schools are as  
22 follows:

23 1. The charter school shall calculate a base support level as  
24 prescribed in section 15-943, except that sections 15-941 and 15-942 do not  
25 apply to these charter schools.

26 2. Notwithstanding paragraph 1 of this subsection, the student count  
27 shall be determined initially using an estimated student count based on  
28 actual registration of pupils before the beginning of the school year. After  
29 the first one hundred days or two hundred days in session, as applicable, the  
30 charter school shall revise the student count to be equal to the actual  
31 average daily membership, as defined in section 15-901, or the adjusted  
32 average daily membership, as prescribed in section 15-902, of the charter  
33 school. Before the one hundredth day or two hundredth day in session, as  
34 applicable, the state board of education or the state board for charter  
35 schools may require a charter school to report periodically regarding pupil  
36 enrollment and attendance and the department of education may revise its  
37 computation of equalization assistance based on the report. A charter school  
38 shall revise its student count, base support level and additional assistance  
39 before May 15. A charter school that overestimated its student count shall  
40 revise its budget before May 15. A charter school that underestimated its  
41 student count may revise its budget before May 15.

42 3. A charter school may utilize section 15-855 for the purposes of  
43 this section. The charter school and the department of education shall  
44 prescribe procedures for determining average daily attendance and average  
45 daily membership.

1           4. Equalization assistance for the charter school shall be determined  
2 by adding the amount of the base support level and additional assistance.  
3 The amount of the additional assistance is one thousand three hundred ~~thirty~~  
4 ~~EIGHTY-SEVEN~~ dollars ~~five~~ TWENTY-FIVE cents per student count in kindergarten  
5 programs and grades one through eight and one thousand ~~five~~ SIX hundred ~~fifty~~  
6 ~~SIXTEEN~~ dollars ~~fourteen~~ EIGHTY-ONE cents per student count in grades nine  
7 through twelve.

8           5. The state board of education shall apportion state aid from the  
9 appropriations made for such purposes to the state treasurer for disbursement  
10 to the charter schools in each county in an amount as determined by this  
11 paragraph. The apportionments shall be made in twelve equal installments of  
12 the total amount to be apportioned during the fiscal year on the fifteenth  
13 day of each month of the fiscal year.

14           6. Notwithstanding paragraph 5 of this subsection, if sufficient  
15 appropriated monies are available after the first forty days in session of  
16 the current year, a charter school may request additional state monies to  
17 fund the increased state aid due to anticipated student growth through the  
18 first one hundred days or two hundred days in session, as applicable, of the  
19 current year as provided in section 15-948. In no event shall a charter  
20 school have received more than three-fourths of its total apportionment  
21 before April 15 of the fiscal year. Early payments pursuant to this  
22 subsection must be approved by the state treasurer, the director of the  
23 department of administration and the superintendent of public instruction.

24           7. The charter school shall not charge tuition, levy taxes or issue  
25 bonds.

26           8. Not later than noon on the day preceding each apportionment date  
27 established by paragraph 5 of this subsection, the superintendent of public  
28 instruction shall furnish to the state treasurer an abstract of the  
29 apportionment and shall certify the apportionment to the department of  
30 administration, which shall draw its warrant in favor of the charter schools  
31 for the amount apportioned.

32           C. If a pupil is enrolled in both a charter school and a public school  
33 that is not a charter school, the sum of the daily membership, which includes  
34 enrollment as prescribed in section 15-901, subsection A, paragraph 2,  
35 subdivisions (a) and (b) and daily attendance as prescribed in section  
36 15-901, subsection A, paragraph 6, for that pupil in the school district and  
37 the charter school shall not exceed 1.0. If a pupil is enrolled in both a  
38 charter school and a public school that is not a charter school, the  
39 department of education shall direct the average daily membership to the  
40 school with the most recent enrollment date. Upon validation of actual  
41 enrollment in both a charter school and a public school that is not a charter  
42 school and if the sum of the daily membership or daily attendance for that  
43 pupil is greater than 1.0, the sum shall be reduced to 1.0 and shall be  
44 apportioned between the public school and the charter school based on the  
45 percentage of total time that the pupil is enrolled or in attendance in the

1 public school and the charter school. The uniform system of financial  
2 records shall include guidelines for the apportionment of the pupil  
3 enrollment and attendance as provided in this section.

4 D. Charter schools are allowed to accept grants and gifts to  
5 supplement their state funding, but it is not the intent of the charter  
6 school law to require taxpayers to pay twice to educate the same pupils. The  
7 base support level for a charter school or for a school district sponsoring a  
8 charter school shall be reduced by an amount equal to the total amount of  
9 monies received by a charter school from a federal or state agency if the  
10 federal or state monies are intended for the basic maintenance and operations  
11 of the school. The superintendent of public instruction shall estimate the  
12 amount of the reduction for the budget year and shall revise the reduction to  
13 reflect the actual amount before May 15 of the current year. If the  
14 reduction results in a negative amount, the negative amount shall be used in  
15 computing all budget limits and equalization assistance, except that:

16 1. Equalization assistance shall not be less than zero.

17 2. For a charter school sponsored by the state board of education or  
18 the state board for charter schools, the total of the base support level, the  
19 capital outlay revenue limit, the soft capital allocation and the additional  
20 assistance shall not be less than zero.

21 3. For a charter school sponsored by a school district, the base  
22 support level for the school district shall not be reduced by more than the  
23 amount that the charter school increased the district's base support level,  
24 capital outlay revenue limit and soft capital allocation.

25 E. If a charter school was a district public school in the prior year  
26 and is now being operated for or by the same school district and sponsored by  
27 the state board of education, the state board for charter schools or a school  
28 district governing board, the reduction in subsection D of this section  
29 applies. The reduction to the base support level of the charter school or  
30 the sponsoring district of the charter school shall equal the sum of the base  
31 support level and the additional assistance received in the current year for  
32 those pupils who were enrolled in the traditional public school in the prior  
33 year and are now enrolled in the charter school in the current year.

34 F. Equalization assistance for charter schools shall be provided as a  
35 single amount based on average daily membership without categorical  
36 distinctions between maintenance and operations or capital.

37 G. At the request of a charter school, the county school  
38 superintendent of the county where the charter school is located may provide  
39 the same educational services to the charter school as prescribed in section  
40 15-308, subsection A. The county school superintendent may charge a fee to  
41 recover costs for providing educational services to charter schools.

42 H. If the sponsor of the charter school determines at a public meeting  
43 that the charter school is not in compliance with federal law, with the laws  
44 of this state or with its charter, the sponsor of a charter school may submit  
45 a request to the department of education to withhold up to ten per cent of

1 the monthly apportionment of state aid that would otherwise be due the  
2 charter school. The department of education shall adjust the charter  
3 school's apportionment accordingly. The sponsor shall provide written notice  
4 to the charter school at least seventy-two hours before the meeting and shall  
5 allow the charter school to respond to the allegations of noncompliance at  
6 the meeting before the sponsor makes a final determination to notify the  
7 department of education of noncompliance. The charter school shall submit a  
8 corrective action plan to the sponsor on a date specified by the sponsor at  
9 the meeting. The corrective action plan shall be designed to correct  
10 deficiencies at the charter school and to ensure that the charter school  
11 promptly returns to compliance. When the sponsor determines that the charter  
12 school is in compliance, the department of education shall restore the full  
13 amount of state aid payments to the charter school.

14 I. A charter school may receive and spend monies distributed by the  
15 department of education pursuant to section 42-5029, subsection E and section  
16 37-521, subsection B.

17 J. For the purposes of this section:

18 1. "Monies intended for the basic maintenance and operations of the  
19 school" means monies intended to provide support for the educational program  
20 of the school, except that it does not include supplemental assistance for a  
21 specific purpose or P.L. 81-874 monies. The auditor general shall determine  
22 which federal or state monies meet the definition in this paragraph.

23 2. "Operated for or by the same school district" means the charter  
24 school is either governed by the same district governing board or operated by  
25 the district in the same manner as other traditional schools in the district  
26 or is operated by an independent party that has a contract with the school  
27 district. The auditor general and the department of education shall  
28 determine which charter schools meet the definition in this subsection.

29 Sec. 2. Section 15-703, Arizona Revised Statutes, is amended to read:

30 15-703. Kindergarten programs and special departments: special  
31 teachers

32 A. The governing board may:

33 1. Establish departments of industrial arts and consumer education and  
34 homemaking.

35 2. Employ special teachers in special subjects.

36 B. Each common school district or unified school district shall  
37 establish a kindergarten program, unless the governing board of such common  
38 school district or unified school district files an exemption claim with the  
39 department of education. A district is exempt from establishing a  
40 kindergarten program if it files with the department of education an  
41 exemption claim which states that the establishment of a kindergarten program  
42 will interfere with the work of, or maintenance of efficiency in, the grades  
43 and that a kindergarten program is not in the best interests of the  
44 district. Each school district that establishes a kindergarten program shall  
45 offer half-day kindergarten programs that provide ~~instruction that is aligned~~

1 ~~with~~ ACADEMICALLY MEANINGFUL INSTRUCTION IN EACH OF the academic standards  
2 adopted by the state board of education. A school district that establishes  
3 a full-day kindergarten program shall allow each parent of a kindergarten  
4 pupil to choose either half-day kindergarten instruction or full-day  
5 kindergarten instruction.

6 C. For the purpose of maintaining a kindergarten program a common  
7 school district or unified school district governing board may lease such  
8 buildings as may be necessary as provided by law.

9 Sec. 3. Section 15-901, Arizona Revised Statutes, is amended to read:

10 15-901. Definitions

11 A. In this title, unless the context otherwise requires:

12 1. "Average daily attendance" or "ADA" means actual average daily  
13 attendance through the first one hundred days or two hundred days in session,  
14 as applicable.

15 2. "Average daily membership" means the total enrollment of fractional  
16 students and full-time students, minus withdrawals, of each school day  
17 through the first one hundred days or two hundred days in session, as  
18 applicable, for the current year. Withdrawals include students formally  
19 withdrawn from schools and students absent for ten consecutive school days,  
20 except for excused absences as identified by the department of education.  
21 For computation purposes, the effective date of withdrawal shall be  
22 retroactive to the last day of actual attendance of the student.

23 (a) "Fractional student" means:

24 (i) For common schools, until fiscal year 2001-2002, a preschool child  
25 who is enrolled in a program for preschool children with disabilities of at  
26 least three hundred sixty minutes each week or a kindergarten student at  
27 least five years of age prior to January 1 of the school year and enrolled in  
28 a school kindergarten program that meets at least three hundred forty-six  
29 instructional hours during the minimum number of days required in a school  
30 year as provided in section 15-341. In fiscal year 2001-2002, the  
31 kindergarten program shall meet at least three hundred forty-eight hours. In  
32 fiscal year 2002-2003, the kindergarten program shall meet at least three  
33 hundred fifty hours. In fiscal year 2003-2004, the kindergarten program  
34 shall meet at least three hundred fifty-two hours. In fiscal year 2004-2005,  
35 the kindergarten program shall meet at least three hundred fifty-four hours.  
36 In fiscal year 2005-2006 and each fiscal year thereafter, the kindergarten  
37 program shall meet at least three hundred fifty-six hours. Lunch periods and  
38 recess periods may not be included as part of the instructional hours unless  
39 the child's individualized education program requires instruction during  
40 those periods and the specific reasons for such instruction are fully  
41 documented. In computing the average daily membership, preschool children  
42 with disabilities ~~and kindergarten students~~ shall be counted as one-half of a  
43 full-time student AND KINDERGARTEN STUDENTS SHALL BE COUNTED AS SIXTY-TWO PER  
44 CENT OF A FULL-TIME STUDENT. For common schools, a part-time student is a  
45 student enrolled for less than the total time for a full-time student as

defined in this section. A part-time common school student shall be counted as one-fourth, one-half or three-fourths of a full-time student if the student is enrolled in an instructional program that is at least one-fourth, one-half or three-fourths of the time a full-time student is enrolled as defined in subdivision (b) of this paragraph.

(ii) For high schools, a part-time student who is enrolled in less than four subjects that count toward graduation as defined by the state board of education in a recognized high school and who is taught in less than twenty instructional hours per week prorated for any week with fewer than five school days. A part-time high school student shall be counted as one-fourth, one-half or three-fourths of a full-time student if the student is enrolled in an instructional program that is at least one-fourth, one-half or three-fourths of a full-time instructional program as defined in subdivision (c) of this paragraph.

(b) "Full-time student" means:

(i) For common schools, a student who is at least six years of age prior to January 1 of a school year, who has not graduated from the highest grade taught in the school district and who is regularly enrolled in a course of study required by the state board of education. Until fiscal year 2001-2002, first, second and third grade students, ungraded students at least six, but under nine, years of age by September 1 or ungraded group B children with disabilities who are at least five, but under six, years of age by September 1 must be enrolled in an instructional program that meets for a total of at least six hundred ninety-two hours during the minimum number of days required in a school year as provided in section 15-341. In fiscal year 2001-2002, the program shall meet at least six hundred ninety-six hours. In fiscal year 2002-2003, the program shall meet at least seven hundred hours. In fiscal year 2003-2004, the program shall meet at least seven hundred four hours. In fiscal year 2004-2005, the program shall meet at least seven hundred eight hours. In fiscal year 2005-2006 and in each fiscal year thereafter, the program shall meet at least seven hundred twelve hours. Until fiscal year 2001-2002, fourth, fifth and sixth grade students or ungraded students at least nine, but under twelve, years of age by September 1 must be enrolled in an instructional program that meets for a total of at least eight hundred sixty-five hours during the minimum number of school days required in a school year as provided in section 15-341. In fiscal year 2001-2002, the program shall meet at least eight hundred seventy hours. In fiscal year 2002-2003, the program shall meet at least eight hundred seventy-five hours. In fiscal year 2003-2004, the program shall meet at least eight hundred eighty hours. In fiscal year 2004-2005, the program shall meet at least eight hundred eighty-five hours. In fiscal year 2005-2006 and each fiscal year thereafter, the program shall meet at least eight hundred ninety hours. Until fiscal year 2001-2002, seventh and eighth grade students or ungraded students at least twelve, but under fourteen, years of age by September 1 must be enrolled in an instructional program that



1 meets for a total of at least one thousand thirty-eight hours during the  
2 minimum number of days required in a school year as provided in section  
3 15-341. In fiscal year 2001-2002, the program shall meet at least one  
4 thousand forty-four hours. In fiscal year 2002-2003, the program shall meet  
5 at least one thousand fifty hours. In fiscal year 2003-2004, the program  
6 shall meet at least one thousand fifty-six hours. In fiscal year 2004-2005,  
7 the program shall meet at least one thousand sixty-two hours. In fiscal year  
8 2005-2006 and each fiscal year thereafter, the program shall meet at least  
9 one thousand sixty-eight hours. Lunch periods and recess periods may not be  
10 included as part of the instructional hours unless the student is a child  
11 with a disability and the child's individualized education program requires  
12 instruction during those periods and the specific reasons for such  
13 instruction are fully documented.

14 (ii) For high schools, a student not graduated from the highest grade  
15 taught in the school district, or an ungraded student at least fourteen years  
16 of age by September 1, and enrolled in at least a full-time instructional  
17 program of subjects that count toward graduation as defined by the state  
18 board of education in a recognized high school. A full-time student shall  
19 not be counted more than once for computation of average daily membership.

20 (iii) For homebound or hospitalized, a student receiving at least four  
21 hours of instruction per week.

22 (c) "Full-time instructional program" means:

23 (i) Through fiscal year 2000-2001, at least four subjects, each of  
24 which, if taught each school day for the minimum number of days required in a  
25 school year, would meet a minimum of one hundred twenty hours a year, or the  
26 equivalent, or one or more subjects taught in amounts of time totaling at  
27 least twenty hours per week prorated for any week with fewer than five school  
28 days.

29 (ii) For fiscal year 2001-2002, an instructional program that meets at  
30 least a total of seven hundred four hours during the minimum number of days  
31 required and includes at least four subjects each of which, if taught each  
32 school day for the minimum number of days required in a school year, would  
33 meet a minimum of one hundred twenty-two hours a year, or the equivalent, or  
34 one or more subjects taught in amounts of time totaling at least twenty hours  
35 per week prorated for any week with fewer than five school days.

36 (iii) For fiscal year 2002-2003, an instructional program that meets  
37 at least a total of seven hundred eight hours during the minimum number of  
38 days required and includes at least four subjects each of which, if taught  
39 each school day for the minimum number of days required in a school year,  
40 would meet a minimum of one hundred twenty-two hours a year, or the  
41 equivalent, or one or more subjects taught in amounts of time totaling at  
42 least twenty hours per week prorated for any week with fewer than five school  
43 days.

44 (iv) For fiscal year 2003-2004, an instructional program that meets at  
45 least a total of seven hundred twelve hours during the minimum number of days

1 required and includes at least four subjects each of which, if taught each  
2 school day for the minimum number of days required in a school year, would  
3 meet a minimum of one hundred twenty-three hours a year, or the equivalent,  
4 or one or more subjects taught in amounts of time totaling at least twenty  
5 hours per week prorated for any week with fewer than five school days.

6 (v) For fiscal year 2004-2005, an instructional program that meets at  
7 least a total of seven hundred sixteen hours during the minimum number of  
8 days required and includes at least four subjects each of which, if taught  
9 each school day for the minimum number of days required in a school year,  
10 would meet a minimum of one hundred twenty-three hours a year, or the  
11 equivalent, or one or more subjects taught in amounts of time totaling at  
12 least twenty hours per week prorated for any week with fewer than five school  
13 days.

14 (vi) For fiscal year 2005-2006 and each fiscal year thereafter, an  
15 instructional program that meets at least a total of seven hundred twenty  
16 hours during the minimum number of days required and includes at least four  
17 subjects each of which, if taught each school day for the minimum number of  
18 days required in a school year, would meet a minimum of one hundred  
19 twenty-three hours a year, or the equivalent, or one or more subjects taught  
20 in amounts of time totaling at least twenty hours per week prorated for any  
21 week with fewer than five school days.

22 3. "Budget year" means the fiscal year for which the school district  
23 is budgeting and which immediately follows the current year.

24 4. "Common school district" means a political subdivision of this  
25 state offering instruction to students in programs for preschool children  
26 with disabilities and kindergarten programs and grades one through eight.

27 5. "Current year" means the fiscal year in which a school district is  
28 operating.

29 6. "Daily attendance" means:

30 (a) For common schools, days in which a pupil:

31 (i) Of a kindergarten program or ungraded, but not group B children  
32 with disabilities, and at least five, but under six, years of age by  
33 September 1 attends at least three-quarters of the instructional time  
34 scheduled for the day. If the total instruction time scheduled for the year  
35 is at least three hundred forty-six hours but is less than six hundred  
36 ninety-two hours such attendance shall be counted as one-half day of  
37 attendance. If the instructional time scheduled for the year is at least six  
38 hundred ninety-two hours, "daily attendance" means days in which a pupil  
39 attends at least one-half of the instructional time scheduled for the day.  
40 Such attendance shall be counted as one-half day of attendance.

41 (ii) Of the first, second or third grades, ungraded and at least six,  
42 but under nine, years of age by September 1 or ungraded group B children with  
43 disabilities and at least five, but under six, years of age by September 1  
44 attends more than three-quarters of the instructional time scheduled for the  
45 day.

1 (iii) Of the fourth, fifth or sixth grades or ungraded and at least  
2 nine, but under twelve, years of age by September 1 attends more than  
3 three-quarters of the instructional time scheduled for the day, except as  
4 provided in section 15-797.

5 (iv) Of the seventh or eighth grades or ungraded and at least twelve,  
6 but under fourteen, years of age by September 1 attends more than  
7 three-quarters of the instructional time scheduled for the day, except as  
8 provided in section 15-797.

9 (b) For common schools, the attendance of a pupil at three-quarters or  
10 less of the instructional time scheduled for the day shall be counted as  
11 follows, except as provided in section 15-797 and except that attendance for  
12 a fractional student shall not exceed the pupil's fractional membership:

13 (i) If attendance for all pupils in the school is based on quarter  
14 days, the attendance of a pupil shall be counted as one-fourth of a day's  
15 attendance for each one-fourth of full-time instructional time attended.

16 (ii) If attendance for all pupils in the school is based on half days,  
17 the attendance of at least three-quarters of the instructional time scheduled  
18 for the day shall be counted as a full day's attendance and attendance at a  
19 minimum of one-half but less than three-quarters of the instructional time  
20 scheduled for the day equals one-half day of attendance.

21 (c) For common schools, the attendance of a preschool child with  
22 disabilities shall be counted as one-fourth day's attendance for each  
23 thirty-six minutes of attendance not including lunch periods and recess  
24 periods, except as provided in paragraph 2, subdivision (a), item (i) of this  
25 subsection for children with disabilities up to a maximum of three hundred  
26 sixty minutes each week.

27 (d) For high schools or ungraded schools in which the pupil is at  
28 least fourteen years of age by September 1, the attendance of a pupil shall  
29 not be counted as a full day unless the pupil is actually and physically in  
30 attendance and enrolled in and carrying four subjects, each of which, if  
31 taught each school day for the minimum number of days required in a school  
32 year, would meet a minimum of one hundred twenty hours a year, or the  
33 equivalent, that count toward graduation in a recognized high school except  
34 as provided in section 15-797 and subdivision (e) of this paragraph.  
35 Attendance of a pupil carrying less than the load prescribed shall be  
36 prorated.

37 (e) For high schools or ungraded schools in which the pupil is at  
38 least fourteen years of age by September 1, the attendance of a pupil may be  
39 counted as one-fourth of a day's attendance for each sixty minutes of  
40 instructional time in a subject that counts toward graduation, except that  
41 attendance for a pupil shall not exceed the pupil's full or fractional  
42 membership.

43 (f) For homebound or hospitalized, a full day of attendance may be  
44 counted for each day during a week in which the student receives at least  
45 four hours of instruction.

1 (g) For school districts which maintain school for an approved  
2 year-round school year operation, attendance shall be based on a computation,  
3 as prescribed by the superintendent of public instruction, of the one hundred  
4 eighty days' equivalency or two hundred days' equivalency, as applicable, of  
5 instructional time as approved by the superintendent of public instruction  
6 during which each pupil is enrolled.

7 7. "Daily route mileage" means the sum of:

8 (a) The total number of miles driven daily by all buses of a school  
9 district while transporting eligible students from their residence to the  
10 school of attendance and from the school of attendance to their residence on  
11 scheduled routes approved by the superintendent of public instruction.

12 (b) The total number of miles driven daily on routes approved by the  
13 superintendent of public instruction for which a private party, a political  
14 subdivision or a common or a contract carrier is reimbursed for bringing an  
15 eligible student from the place of his residence to a school transportation  
16 pickup point or to the school of attendance and from the school  
17 transportation scheduled return point or from the school of attendance to his  
18 residence. Daily route mileage includes the total number of miles necessary  
19 to drive to transport eligible students from and to their residence as  
20 provided in this paragraph.

21 8. "District support level" means the base support level plus the  
22 transportation support level.

23 9. "Eligible students" means:

24 (a) Students who are transported by or for a school district and who  
25 qualify as full-time students or fractional students, except students for  
26 whom transportation is paid by another school district or a county school  
27 superintendent, and:

28 (i) For common school students, whose place of actual residence within  
29 the school district is more than one mile from the school facility of  
30 attendance or students who are admitted pursuant to section 15-816.01 and who  
31 meet the economic eligibility requirements established under the national  
32 school lunch and child nutrition acts (42 United States Code sections 1751  
33 through 1785) for free or reduced price lunches and whose actual place of  
34 residence outside the school district boundaries is more than one mile from  
35 the school facility of attendance.

36 (ii) For high school students, whose place of actual residence within  
37 the school district is more than one and one-half miles from the school  
38 facility of attendance or students who are admitted pursuant to section  
39 15-816.01 and who meet the economic eligibility requirements established  
40 under the national school lunch and child nutrition acts (42 United States  
41 Code sections 1751 through 1785) for free or reduced price lunches and whose  
42 actual place of residence outside the school district boundaries is more than  
43 one and one-half miles from the school facility of attendance.

1 (b) Kindergarten students, for purposes of computing the number of  
2 eligible students under subdivision (a), item (i) of this paragraph, shall be  
3 counted as full-time students, notwithstanding any other provision of law.

4 (c) Children with disabilities, as defined by section 15-761, who are  
5 transported by or for the school district or who are admitted pursuant to  
6 chapter 8, article 1.1 of this title and who qualify as full-time students or  
7 fractional students regardless of location or residence within the school  
8 district or children with disabilities whose transportation is required by  
9 the pupil's individualized education program.

10 (d) Students whose residence is outside the school district and who  
11 are transported within the school district on the same basis as students who  
12 reside in the school district.

13 10. "Enrolled" or "enrollment" means when a pupil is currently  
14 registered in the school district.

15 11. "GDP price deflator" means the average of the four implicit price  
16 deflators for the gross domestic product reported by the United States  
17 department of commerce for the four quarters of the calendar year.

18 12. "High school district" means a political subdivision of this state  
19 offering instruction to students for grades nine through twelve or that  
20 portion of the budget of a common school district which is allocated to  
21 teaching high school subjects with permission of the state board of  
22 education.

23 13. "Revenue control limit" means the base revenue control limit plus  
24 the transportation revenue control limit.

25 14. "Student count" means average daily membership as prescribed in  
26 this subsection for the fiscal year prior to the current year, except that  
27 for the purpose of budget preparation student count means average daily  
28 membership as prescribed in this subsection for the current year.

29 15. "Submit electronically" means submitted in a format and in a manner  
30 prescribed by the department of education.

31 16. "Total bus mileage" means the total number of miles driven by all  
32 buses of a school district during the school year.

33 17. "Total students transported" means all eligible students  
34 transported from their place of residence to a school transportation pickup  
35 point or to the school of attendance and from the school of attendance or  
36 from the school transportation scheduled return point to their place of  
37 residence.

38 18. "Unified school district" means a political subdivision of the  
39 state offering instruction to students in programs for preschool children  
40 with disabilities and kindergarten programs and grades one through twelve.

41 B. In this title, unless the context otherwise requires:

42 1. "Base" means the revenue level per student count specified by the  
43 legislature.

1           2. "Base level" means:

2           (a) For fiscal year 2004-2005, two thousand eight hundred ninety-three  
3 dollars eighteen cents.

4           (b) For fiscal year 2005-2006, three thousand one dollars.

5           (c) FOR FISCAL YEAR 2006-2007, THREE THOUSAND ONE HUNDRED TWENTY-FIVE  
6 DOLLARS EIGHTY-SEVEN CENTS.

7           3. "Base revenue control limit" means the base revenue control limit  
8 computed as provided in section 15-944.

9           4. "Base support level" means the base support level as provided in  
10 section 15-943.

11           5. "Certified teacher" means a person who is certified as a teacher  
12 pursuant to the rules adopted by the state board of education, who renders  
13 direct and personal services to school children in the form of instruction  
14 related to the school district's educational course of study and who is paid  
15 from the maintenance and operation section of the budget.

16           6. "ED, MIMR, SLD, SLI and OHI" means programs for children with  
17 emotional disabilities, mild mental retardation, a specific learning  
18 disability, a speech/language impairment and other health impairments.

19           7. "ED-P" means programs for children with emotional disabilities who  
20 are enrolled in private special education programs as prescribed in section  
21 15-765, subsection D, paragraph 1 or in an intensive school district program  
22 as provided in section 15-765, subsection D, paragraph 2.

23           8. "ELL" means English learners who do not speak English or whose  
24 native language is not English, who are not currently able to perform  
25 ordinary classroom work in English and who are enrolled in an English  
26 language education program pursuant to sections 15-751, 15-752 and 15-753.

27           9. "Full-time equivalent certified teacher" or "FTE certified teacher"  
28 means for a certified teacher the following:

29           (a) If employed full time as defined in section 15-501, 1.00.

30           (b) If employed less than full time, multiply 1.00 by the percentage  
31 of a full school day, or its equivalent, or a full class load, or its  
32 equivalent, for which the teacher is employed as determined by the governing  
33 board.

34           10. "Group A" means educational programs for career exploration, a  
35 specific learning disability, an emotional disability, mild mental  
36 retardation, remedial education, a speech/language impairment, homebound,  
37 bilingual, preschool moderate delay, preschool speech/language delay, other  
38 health impairments and gifted pupils.

39           11. "Group B" means educational improvements for pupils in kindergarten  
40 programs and grades one through three, educational programs for autism, a  
41 hearing impairment, moderate mental retardation, multiple disabilities,  
42 multiple disabilities with severe sensory impairment, orthopedic impairments,  
43 preschool severe delay, severe mental retardation and emotional disabilities  
44 for school age pupils enrolled in private special education programs or in  
45 school district programs for children with severe disabilities or visual

1 impairment and English learners enrolled in a program to promote English  
2 language proficiency pursuant to section 15-752.

3 12. "HI" means programs for pupils with hearing impairment.

4 13. "Homebound" or "hospitalized" means a pupil who is capable of  
5 profiting from academic instruction but is unable to attend school due to  
6 illness, disease, accident or other health conditions, who has been examined  
7 by a competent medical doctor and who is certified by that doctor as being  
8 unable to attend regular classes for a period of not less than three school  
9 months or a pupil who is capable of profiting from academic instruction but  
10 is unable to attend school regularly due to chronic or acute health problems,  
11 who has been examined by a competent medical doctor and who is certified by  
12 that doctor as being unable to attend regular classes for intermittent  
13 periods of time totaling three school months during a school year. The  
14 medical certification shall state the general medical condition, such as  
15 illness, disease or chronic health condition, that is the reason that the  
16 pupil is unable to attend school. Homebound or hospitalized includes a  
17 student who is unable to attend school for a period of less than three months  
18 due to a pregnancy if a competent medical doctor, after an examination,  
19 certifies that the student is unable to attend regular classes due to risk to  
20 the pregnancy or to the student's health.

21 14. "K-3" means kindergarten programs and grades one through three.

22 15. "MD-R, A-R and SMR-R" means resource programs for pupils with  
23 multiple disabilities, autism and severe mental retardation.

24 16. "MD-SC, A-SC and SMR-SC" means self-contained programs for pupils  
25 with multiple disabilities, autism and severe mental retardation.

26 17. "MDSSI" means a program for pupils with multiple disabilities with  
27 severe sensory impairment.

28 18. "MOMR" means programs for pupils with moderate mental retardation.

29 19. "OI-R" means a resource program for pupils with orthopedic  
30 impairments.

31 20. "OI-SC" means a self-contained program for pupils with orthopedic  
32 impairments.

33 21. "PSD" means preschool programs for children with disabilities as  
34 provided in section 15-771.

35 22. "P-SD" means programs for children who meet the definition of  
36 preschool severe delay as provided in section 15-771.

37 23. "Qualifying tax rate" means the qualifying tax rate specified in  
38 section 15-971 applied to the assessed valuation used for primary property  
39 taxes.

40 24. "Small isolated school district" means a school district which  
41 meets all of the following:

42 (a) Has a student count of fewer than six hundred in kindergarten  
43 programs and grades one through eight or grades nine through twelve.

44 (b) Contains no school which is fewer than thirty miles by the most  
45 reasonable route from another school, or, if road conditions and terrain make

1 the driving slow or hazardous, fifteen miles from another school which  
2 teaches one or more of the same grades and is operated by another school  
3 district in this state.

4 (c) Is designated as a small isolated school district by the  
5 superintendent of public instruction.

6 25. "Small school district" means a school district which meets all of  
7 the following:

8 (a) Has a student count of fewer than six hundred in kindergarten  
9 programs and grades one through eight or grades nine through twelve.

10 (b) Contains at least one school which is fewer than thirty miles by  
11 the most reasonable route from another school which teaches one or more of  
12 the same grades and is operated by another school district in this state.

13 (c) Is designated as a small school district by the superintendent of  
14 public instruction.

15 26. "Transportation revenue control limit" means the transportation  
16 revenue control limit computed as prescribed in section 15-946.

17 27. "Transportation support level" means the support level for pupil  
18 transportation operating expenses as provided in section 15-945.

19 28. "VI" means programs for pupils with visual impairments.

20 29. "Voc. Ed." means career and technical education and vocational  
21 education programs, as defined in section 15-781.

22 Sec. 4. Section 15-901.03, Arizona Revised Statutes, is amended to  
23 read:

24 15-901.03. Transfers; review

25 Notwithstanding section 35-173, subsection C, any transfer to or from  
26 the amount appropriated for basic state aid entitlement, additional state aid  
27 to schools, ~~certificates of educational convenience or~~ the special education  
28 fund OR OTHER STATE AID TO DISTRICTS line items shall require review by the  
29 joint legislative budget committee.

30 Sec. 5. Section 15-910.03, Arizona Revised Statutes, is amended to  
31 read:

32 15-910.03 Excess utilities; funding plan; review

33 A. Beginning July 1, 2005, each school district ~~that budgets for~~  
34 ~~excess utilities~~ shall annually develop, adopt and certify a plan at the same  
35 public meeting where the school district budget is proposed and adopted  
36 containing the following information:

37 1. A review and summary for each fiscal year since fiscal year  
38 1999-2000 that includes the expenditures for the direct operational costs of  
39 each of the following that are contained within the revenue control limit and  
40 of the excess utilities budget outside the revenue control limit:

41 (a) Heating.

42 (b) Cooling.

43 (c) Water.

44 (d) Electricity.



1 (e) Telephone communications.

2 (f) Sanitation fees.

3 2. A review and summary that includes the current year budget, the  
4 current year estimated expenditures and the proposed budget for the direct  
5 operational costs of each of the following that are contained within the  
6 revenue control limit and of the excess utilities budget outside the revenue  
7 control limit:

8 (a) Heating.

9 (b) Cooling.

10 (c) Water.

11 (d) Electricity.

12 (e) Telephone communications.

13 (f) Sanitation fees.

14 3. A per pupil cost for the total expenditures for the direct  
15 operational costs that are contained within the revenue control limit and a  
16 per pupil cost for the total expenditures for the direct operational costs  
17 that are part of the excess utilities budget outside the revenue control  
18 limit as prescribed in paragraphs 1 and 2.

19 4. IF THE SCHOOL DISTRICT BUDGETS FOR EXCESS UTILITIES, a review and  
20 summary of specific financial goals to enable the school district to pay for  
21 all utility costs within the revenue control limit on or before June 30, 2009  
22 as approved by the voters of this state in the referendum designated as  
23 proposition 301 at the 2000 general election.

24 5. IF THE SCHOOL DISTRICT BUDGETS FOR EXCESS UTILITIES, a review of  
25 the district's plan to ensure that the school district is making progress  
26 toward the achievement of the financial goals prescribed in paragraph 4.

27 B. Each school district shall annually submit a copy of the plan  
28 prescribed in subsection A to the department of education on or before  
29 July 18.

30 C. The department of education shall prepare and submit an annual  
31 report on or before December 1 to the joint legislative budget committee  
32 containing a summary of the school district plans and costs per pupil as  
33 prescribed in subsection A. The department of education shall include in the  
34 report a list of school districts that ~~budgeted for excess utilities but that~~  
35 did not submit a plan pursuant to this section.

36 Sec. 6. Section 15-915, Arizona Revised Statutes, is amended to read:

37 15-915. Correction of state aid or budget limit errors;  
38 definition

39 A. If the superintendent of public instruction determines that the  
40 calculation of state aid for a school district or charter school or the  
41 calculation of the school district's or charter school's budget limits within  
42 the previous three years did not conform with statutory requirements, the  
43 superintendent shall require correction of the errors as follows:

44 1. Corrections may be made in the current year or in the budget year,  
45 except that in case of hardship to the school district, the superintendent

1 may approve corrections partly in one year and partly in the year after that  
2 year.

3 2. Errors in the calculation of state aid shall be corrected by  
4 increasing or decreasing the state aid to the school district or charter  
5 school in the year or years in which the correction is made.

6 3. Errors in the calculation of the school district's or charter  
7 school's budget limits shall be corrected at a public hearing by requiring  
8 the governing board to reduce or by allowing it to increase its budget by the  
9 amount of the correction to be made that year. Overbudgeting errors  
10 corrected as provided in this paragraph are exempt from the provisions of  
11 section 15-905, subsections L and M. Not later than three days after the  
12 hearing and correction, the budget as revised shall be submitted  
13 electronically to the superintendent of public instruction.

14 B. Subject to the review by the joint legislative budget committee,  
15 the superintendent of public instruction shall adjust state aid for a school  
16 district in the current year if the governing board of a school district  
17 requests the recalculation of state aid for a prior year due to a change in  
18 assessed valuation that occurred as the result of a judgment in accordance  
19 with section 42-16213.

20 C. NOTWITHSTANDING SUBSECTION A OF THIS SECTION, A SCHOOL DISTRICT OR  
21 CHARTER SCHOOL MAY NOT MAKE UPWARD REVISIONS TO ITS AVERAGE DAILY MEMBERSHIP  
22 COUNTS FOR A PARTICULAR SCHOOL YEAR AFTER JUNE 30 OF THE SUBSEQUENT SCHOOL  
23 YEAR.

24 ~~C.~~ D. For THE purposes of this section, "state aid":

25 1. For school districts means state aid as determined in section  
26 15-971 and additional state aid as determined in section 15-972.

27 2. For charter schools means state aid as determined in section  
28 15-185.

29 Sec. 7. Section 15-941, Arizona Revised Statutes, is amended to read:

30 15-941. Teacher experience index; computation; definition

31 A. The teacher experience index for each school district shall be  
32 computed as follows:

33 1. For the school district:

Number of years		Number of FTE		Number of FTE	
<u>of experience</u>		<u>certified teachers</u>		<u>years of</u>	
				<u>experience of</u>	
				<u>certified</u>	
				<u>teachers</u>	
1	x		=		
2	x		=		
3	x		=		
4	x		=		
5	x		=		
6	x		=		
7	x		=		

1	8	x	_____	=	_____
2	9	x	_____	=	_____
3	10	x	_____	=	_____
4	11	x	_____	=	_____
5	12	x	_____	=	_____
6	13	x	_____	=	_____
7	14	x	_____	=	_____
8	15 (or more)	x	_____	=	_____
9		Total	_____		_____
10			A		B

2. Divide total B by total A to determine the average number of FTE years of experience of FTE certified teachers in the school district.

3. For the state:

	Number of years of experience		Number of FTE certified teachers		Number of FTE years of experience of certified teachers
20	1	x	_____	=	_____
21	2	x	_____	=	_____
22	3	x	_____	=	_____
23	4	x	_____	=	_____
24	5	x	_____	=	_____
25	6	x	_____	=	_____
26	7	x	_____	=	_____
27	8	x	_____	=	_____
28	9	x	_____	=	_____
29	10	x	_____	=	_____
30	11	x	_____	=	_____
31	12	x	_____	=	_____
32	13	x	_____	=	_____
33	14	x	_____	=	_____
34	15 (or more)	x	_____	=	_____
35		Total	_____		_____
36			C		D

4. Divide total D by total C to determine the average number of FTE years of experience of FTE certified teachers in the state.

5. Subtract the quotient obtained in paragraph 4 ~~of this subsection~~ from the quotient obtained in paragraph 2 ~~of this subsection~~ and multiply the remainder by 0.0225.

6. Add 1.00 to the product obtained in paragraph 5 ~~of this subsection~~.

1 B. Librarians, guidance counselors, curriculum coordinators and other  
2 personnel who do not conduct regularly scheduled classes shall not be  
3 included as certified teachers and shall be coded separately from certified  
4 teachers in the uniform system of financial records.

5 C. Each school district shall on or before October 15 submit to the  
6 superintendent of public instruction in electronic format the data prescribed  
7 in subsection A, paragraphs 1 and 2 for the current year. The superintendent  
8 of public instruction shall use the data to compute the teacher experience  
9 index of each school district for the budget year.

10 D. The superintendent of public instruction shall on or before March  
11 15 notify each school district of its teacher experience index for the budget  
12 year. BETWEEN MARCH 15 AND APRIL 15, A SCHOOL DISTRICT MAY SUBMIT  
13 CORRECTIONS TO DATA THAT IT SUBMITTED PURSUANT TO SUBSECTION C AND THE  
14 SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL ON OR BEFORE APRIL 15 RECOMPUTE  
15 THE TEACHER EXPERIENCE INDEX FOR THE DISTRICT FOR THE BUDGET YEAR USING THE  
16 CORRECTED DATA. THE TEACHER EXPERIENCE INDEX FOR A SCHOOL DISTRICT THAT DOES  
17 NOT SUBMIT DATA CORRECTIONS BETWEEN MARCH 15 AND APRIL 15 SHALL BE THE  
18 TEACHER EXPERIENCE INDEX COMPUTED FOR THE DISTRICT BY THE SUPERINTENDENT OF  
19 PUBLIC INSTRUCTION ON OR BEFORE MARCH 15. A SCHOOL DISTRICT THAT SUBMITS  
20 DATA CORRECTIONS PURSUANT TO THIS SUBSECTION SHALL SUBMIT A LETTER EXPLAINING  
21 THE NEED FOR THE CORRECTIONS TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION AND  
22 THE CHAIRMAN OF THE JOINT LEGISLATIVE BUDGET COMMITTEE. The teacher  
23 experience index for the budget year shall not be recalculated after ~~March~~  
24 ~~APRIL~~ 15 unless the superintendent of public instruction determines that the  
25 school district has submitted data resulting in an overstatement of the  
26 teacher experience index for the budget year.

27 E. For the purposes of this section, "number of years of experience"  
28 means the number of years of classroom instruction conducted by a certified  
29 teacher in the school district in which the certified teacher is currently  
30 employed, including the number of years of experience of the certified  
31 teacher granted by the school district for the certified teacher on the  
32 district's salary schedule for experience outside of the school district.

33 Sec. 8. Section 15-943, Arizona Revised Statutes, is amended to read:

34 15-943. Base support level

35 The base support level for each school district shall be computed as  
36 follows:

37 1. The following support level weights shall be used in paragraph 2,  
38 subdivision (a) for the following school districts:

39 (a) For school districts whose student count in kindergarten programs  
40 and grades one through eight is classified in column 1 of this subdivision,  
41 the support level weight for kindergarten programs and grades one through  
42 eight is the corresponding support level weight prescribed in column 2 or 3  
43 of this subdivision, whichever is appropriate:

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>
	Support Level Weight	Support Level Weight
	For Small Isolated	For Small
<u>Student Count</u>	<u>School Districts</u>	<u>School Districts</u>
1-99	1.559	1.399
100-499	$1.358 + [0.0005 \times (500 - \text{student count})]$	$1.278 + [0.0003 \times (500 - \text{student count})]$
500-599	$1.158 + [0.002 \times (600 - \text{student count})]$	$1.158 + [0.0012 \times (600 - \text{student count})]$

(b) For school districts whose student count in grades nine through twelve is classified in column 1 of this subdivision, the support level weight for grades nine through twelve is the corresponding support level weight prescribed in column 2 or 3 of this subdivision, whichever is appropriate:

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>
	Support Level Weight	Support Level Weight
	For Small Isolated	For Small
<u>Student Count</u>	<u>School Districts</u>	<u>School Districts</u>
1-99	1.669	1.559
100-499	$1.468 + [0.0005 \times (500 - \text{student count})]$	$1.398 + [0.0004 \times (500 - \text{student count})]$
500-599	$1.268 + [0.002 \times (600 - \text{student count})]$	$1.268 + [0.0013 \times (600 - \text{student count})]$

2. Subject to paragraph 1, determine the weighted student count as follows:

(a)					Support Level Weight	Student Count	Weighted Student Count
<u>Grade</u>	<u>Base</u>		<u>Group A</u>		<u>Weight</u>	<u>Count</u>	<u>Count</u>
PSD	1.000	+	0.450	=	1.450	x	
K-8	1.000	+	0.158	=	1.158	x	
9-12	1.163	+	0.105	=	1.268	x	
						Subtotal	A

(b)					Support Level Weight	Student Count	Weighted Student Count
<u>Funding Category</u>					<u>Weight</u>	<u>Count</u>	<u>Count</u>
HI					4.771	x	
K-3					0.060	x	
ELL					0.115	x	
MD-R, A-R and SMR-R					6.024	x	
MD-SC, A-SC and SMR-SC					5.833	x	
MD-SSI					<del>6.531</del> 7.947	x	

1	OI-R		3.158	x	_____	=	_____
2	OI-SC	<del>5.576</del>	6.773	x	_____	=	_____
3	P-SD		3.595	x	_____	=	_____
4	ED, MIMR, SLD,						
5	SLI and OHI		0.003	x	_____	=	_____
6	ED-P	<del>4.647</del>	4.822	x	_____	=	_____
7	MOMR		4.421	x	_____	=	_____
8	VI		4.806	x	_____	=	_____
9					Subtotal	B	_____

10 (c) Total of subtotals A and B: \_\_\_\_\_

11 3. Multiply the total determined in paragraph 2 by the base level.

12 4. Multiply the teacher experience index of the district or 1.00,  
13 whichever is greater, by the product obtained in paragraph 3.

14 Sec. 9. Section 15-945, Arizona Revised Statutes, is amended to read:

15 15-945. Transportation support level

16 A. The support level for to and from school for each school district  
17 for the current year shall be computed as follows:

18 1. Determine the approved daily route mileage of the school district  
19 for the fiscal year prior to the current year.

20 2. Multiply the figure obtained in paragraph 1 of this subsection by  
21 one hundred seventy-five.

22 3. Determine the number of eligible students transported in the fiscal  
23 year prior to the current year.

24 4. Divide the amount determined in paragraph 1 of this subsection by  
25 the amount determined in paragraph 3 of this subsection to determine the  
26 approved daily route mileage per eligible student transported.

27 5. Determine the classification in column 1 of this paragraph for the  
28 quotient determined in paragraph 4 of this subsection. Multiply the product  
29 obtained in paragraph 2 of this subsection by the corresponding state support  
30 level for each route mile as provided in column 2 of this paragraph.

31 Column 1

32 Approved Daily Route

33 Mileage per Eligible

34 Student Transported

35 0.5 or less

36 More than 0.5 through 1.0

37 More than 1.0

Column 2

State Support Level per

Route Mile for

Fiscal Year ~~2005-2006~~ 2006-2007

~~\$2.15~~ \$2.19

~~\$1.74~~ \$1.77

~~\$2.15~~ \$2.19

38 6. Add the amount spent during the prior fiscal year for bus tokens  
39 and bus passes for students who qualify as eligible students as defined in  
40 section 15-901.

41 B. The support level for academic education, career and technical  
42 education, vocational education and athletic trips for each school district  
43 for the current year is computed as follows:

1. Determine the classification in column 1 of paragraph 2 of this subsection for the quotient determined in subsection A, paragraph 4 of this section.

2. Multiply the product obtained in subsection A, paragraph 5 of this section by the corresponding state support level for academic education, career and technical education, vocational education and athletic trips as provided in column 2, 3 or 4 of this paragraph, whichever is appropriate for the type of district.

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>	<u>Column 4</u>
Approved Daily Route			
Mileage per Eligible	District Type	District Type	District Type
<u>Student Transported</u>	<u>02 or 03</u>	<u>04</u>	<u>05</u>
0.5 or less	0.15	0.10	0.25
More than 0.5 through 1.0	0.15	0.10	0.25
More than 1.0	0.18	0.12	0.30

For the purposes of this paragraph, "district type 02" means a unified school district or an accommodation school that offers instruction in grades nine through twelve, "district type 03" means a common school district not within a high school district, "district type 04" means a common school district within a high school district or an accommodation school that does not offer instruction in grades nine through twelve and "district type 05" means a high school district.

C. The support level for extended school year ~~programs~~ **SERVICES** for pupils with disabilities is computed as follows:

1. Determine the sum of the following:

(a) The total number of miles driven by all buses of a school district while transporting eligible pupils with disabilities on scheduled routes from their residence to the school of attendance and from the school of attendance to their residence on routes for ~~an~~ extended school year ~~program~~ **SERVICES** in accordance with section 15-881.

(b) The total number of miles driven on routes approved by the superintendent of public instruction for which a private party, a political subdivision or a common or a contract carrier is reimbursed for bringing an eligible pupil with a disability from the place of the pupil's residence to a school transportation pickup point or to the school facility of attendance and from the school transportation scheduled return point or from the school facility to the pupil's residence for ~~an~~ extended school year ~~program~~ **SERVICES** in accordance with section 15-881.

2. Multiply the sum determined in paragraph 1 of this subsection by the state support level for the district determined as provided in subsection A, paragraph 5 of this section.

D. The transportation support level for each school district for the current year is the sum of the support level for to and from school as determined in subsection A of this section, ~~and~~ the support level for academic education, career and technical education, vocational education and

1 athletic trips as determined in subsection B of this section and the support  
2 level for extended school year ~~programs~~ SERVICES for pupils with disabilities  
3 as determined in subsection C of this section.

4 E. The state support level for each approved route mile, as provided  
5 in subsection A, paragraph 5 of this section, shall be adjusted by the growth  
6 rate prescribed by law, subject to appropriation.

7 Sec. 10. Section 15-2041, Arizona Revised Statutes, as amended by Laws  
8 2005, chapter 272, section 4 and chapter 293, section 1, is amended to read:  
9 15-2041. New school facilities fund; capital plan; report

10 A. A new school facilities fund is established consisting of monies  
11 appropriated by the legislature and monies credited to the fund pursuant to  
12 section 37-221 or 42-5030.01. The school facilities board shall administer  
13 the fund and distribute monies, as a continuing appropriation, to school  
14 districts for the purpose of constructing new school facilities. On June 30  
15 of each fiscal year, any unobligated contract monies in the new school  
16 facilities fund shall be transferred to the capital reserve fund established  
17 by section 15-2003.

18 B. The school facilities board shall prescribe a uniform format for  
19 use by the school district governing board in developing and annually  
20 updating a capital plan that consists of each of the following:

21 1. Enrollment projections for the next five years for elementary  
22 schools and eight years for middle and high schools, including a description  
23 of the methods used to make the projections. NOTWITHSTANDING SECTION 15-901,  
24 SUBSECTION A, PARAGRAPH 2, FOR PURPOSES OF THIS SECTION, KINDERGARTEN  
25 STUDENTS SHALL BE COUNTED AS ONE-HALF OF A FULL-TIME STUDENT.

26 2. A description of new schools or additions to existing schools  
27 needed to meet the building adequacy standards prescribed in section 15-2011.  
28 The description shall include:

29 (a) The grade levels and the total number of pupils that the school or  
30 addition is intended to serve.

31 (b) The year in which it is necessary for the school or addition to  
32 begin operations.

33 (c) A timeline that shows the planning and construction process for  
34 the school or addition.

35 3. Long-term projections of the need for land for new schools.

36 4. Any other necessary information required by the school facilities  
37 board to evaluate a school district's capital plan.

38 5. If a school district pays tuition for all or a portion of the  
39 school district's high school pupils to another school district, the capital  
40 plan shall indicate the number of pupils for which the district pays tuition  
41 to another district. If a school district accepts pupils from another school  
42 district pursuant to section 15-824, subsection A, the school district shall  
43 indicate the projections for this population separately. This paragraph does  
44 not apply to a small isolated school district as defined in section 15-901.



1 C. If the capital plan indicates a need for a new school or an  
2 addition to an existing school within the next four years or a need for land  
3 within the next ten years, the school district shall submit its plan to the  
4 school facilities board by September 1 and shall request monies from the new  
5 school facilities fund for the new construction or land. Monies provided for  
6 land shall be in addition to any monies provided pursuant to subsection D of  
7 this section.

8 D. The school facilities board shall distribute monies from the new  
9 school facilities fund as follows:

10 1. The school facilities board shall review and evaluate the  
11 enrollment projections and either approve the projections as submitted or  
12 revise the projections. In determining new construction requirements, the  
13 school facilities board shall determine the net new growth of pupils that  
14 will require additional square footage that exceeds the building adequacy  
15 standards prescribed in section 15-2011. If the projected growth and the  
16 existing number of pupils exceeds three hundred fifty pupils who are served  
17 in a school district other than the pupil's resident school district, the  
18 school facilities board, the receiving school district and the resident  
19 school district shall develop a capital facilities plan on how to best serve  
20 those pupils. A small isolated school district as defined in section 15-901  
21 is not required to develop a capital facilities plan pursuant to this  
22 paragraph.

23 2. If the approved projections indicate that additional space will not  
24 be needed within the next two years for elementary schools or three years for  
25 middle or high schools in order to meet the building adequacy standards  
26 prescribed in section 15-2011, the request shall be held for consideration by  
27 the school facilities board for possible future funding and the school  
28 district shall annually submit an updated plan until the additional space is  
29 needed.

30 3. If the approved projections indicate that additional space will be  
31 needed within the next two years for elementary schools or three years for  
32 middle or high schools in order to meet the building adequacy standards  
33 prescribed in section 15-2011, the school facilities board shall provide an  
34 amount as follows:

35 (a) Determine the number of pupils requiring additional square footage  
36 to meet building adequacy standards. This amount for elementary schools  
37 shall not be less than the number of new pupils for whom space will be needed  
38 in the next year and shall not exceed the number of new pupils for whom space  
39 will be needed in the next five years. This amount for middle and high  
40 schools shall not be less than the number of new pupils for whom space will  
41 be needed in the next four years and shall not exceed the number of new  
42 pupils for whom space will be needed in the next eight years.

43 (b) Multiply the number of pupils determined in subdivision (a) of  
44 this paragraph by the square footage per pupil. The square footage per pupil  
45 is ninety square feet per pupil for preschool children with disabilities,

1 kindergarten programs and grades one through six, one hundred square feet for  
2 grades seven and eight, one hundred thirty-four square feet for a school  
3 district that provides instruction in grades nine through twelve for fewer  
4 than one thousand eight hundred pupils and one hundred twenty-five square  
5 feet for a school district that provides instruction in grades nine through  
6 twelve for at least one thousand eight hundred pupils. The total number of  
7 pupils in grades nine through twelve in the district shall determine the  
8 square footage factor to use for net new pupils. The school facilities board  
9 may modify the square footage requirements prescribed in this subdivision for  
10 particular schools based on any of the following factors:

11 (i) The number of pupils served or projected to be served by the  
12 school district.

13 (ii) Geographic factors.

14 (iii) Grade configurations other than those prescribed in this  
15 subdivision.

16 (iv) Compliance with minimum school facility adequacy requirements  
17 established pursuant to section 15-2011.

18 (c) Multiply the product obtained in subdivision (b) of this paragraph  
19 by the cost per square foot. The cost per square foot is ninety dollars for  
20 preschool children with disabilities, kindergarten programs and grades one  
21 through six, ninety-five dollars for grades seven and eight and one hundred  
22 ten dollars for grades nine through twelve. The cost per square foot shall  
23 be adjusted annually for construction market considerations based on an index  
24 identified or developed by the joint legislative budget committee as  
25 necessary but not less than once each year. The school facilities board  
26 shall multiply the cost per square foot by 1.05 for any school district  
27 located in a rural area. The school facilities board may modify the base  
28 cost per square foot prescribed in this subdivision for particular schools  
29 based on geographic conditions or site conditions. For the purposes of this  
30 subdivision, "rural area" means an area outside a thirty-five mile radius of  
31 a boundary of a municipality with a population of more than fifty thousand  
32 persons.

33 (d) Once the school district governing board obtains approval from the  
34 school facilities board for new facility construction funds, additional  
35 portable or modular square footage created for the express purpose of  
36 providing temporary space for pupils until the completion of the new facility  
37 shall not be included by the school facilities board for the purpose of new  
38 construction funding calculations. On completion of the new facility  
39 construction project, if the portable or modular facilities continue in use,  
40 the portable or modular facilities shall be included as prescribed by this  
41 chapter, unless the school facilities board approves their continued use for  
42 the purpose of providing temporary space for pupils until the completion of  
43 the next new facility that has been approved for funding from the new school  
44 facilities fund.

1           4. For projects approved after December 31, 2001, and notwithstanding  
2 paragraph 3 of this subsection, a unified school district that does not have  
3 a high school is not eligible to receive high school space as prescribed by  
4 section 15-2011 and this section unless the unified district qualifies for  
5 geographic factors prescribed by paragraph 3, subdivision (b), item (ii) of  
6 this subsection.

7           E. Monies for architectural and engineering fees, project management  
8 SERVICES and preconstruction services shall be distributed on the completion  
9 of the analysis by the school facilities board of the school district's  
10 request. After receiving monies pursuant to this subsection, the school  
11 district shall submit a design development plan for the school or addition to  
12 the school facilities board before any monies for construction are  
13 distributed. If the school district's request meets the building adequacy  
14 standards, the school facilities board may review and comment on the  
15 district's plan with respect to the efficiency and effectiveness of the plan  
16 in meeting state square footage and facility standards before distributing  
17 the remainder of the monies. If the school facilities board modifies the  
18 cost per square foot as prescribed in subsection D, paragraph 3, subdivision  
19 (c), the school facilities board may deduct the cost of project management  
20 services and preconstruction services from the required cost per square foot.  
21 The school facilities board may decline to fund the project if the square  
22 footage is no longer required due to revised enrollment projections.

23           F. The school facilities board shall distribute the monies needed for  
24 land for new schools so that land may be purchased at a price that is less  
25 than or equal to fair market value and in advance of the construction of the  
26 new school. If necessary, the school facilities board may distribute monies  
27 for land to be leased for new schools if the duration of the lease exceeds  
28 the life expectancy of the school facility by at least fifty per cent. The  
29 proceeds derived through the sale of any land purchased or partially  
30 purchased with monies provided by the school facilities board shall be  
31 returned to the state fund from which it was appropriated and to any other  
32 participating entity on a proportional basis. If a school district acquires  
33 real property by donation at an appropriate school site approved by the  
34 school facilities board, the school facilities board shall distribute an  
35 amount equal to twenty per cent of the fair market value of the donated real  
36 property that can be used for academic purposes. The school district shall  
37 place the monies in the unrestricted capital outlay fund and increase the  
38 unrestricted capital outlay limit by the amount of monies placed in the  
39 fund. Monies distributed under this subsection shall be distributed from the  
40 new school facilities fund. A school district shall not pay a consultant a  
41 percentage of the value of any of the following:

42           1. Donations of real property, services or cash from any of the  
43 following:

44           (a) Entities that have offered to provide construction services to the  
45 school district.

1 (b) Entities that have been contracted to provide construction  
2 services to the school district.

3 (c) Entities that build residential units in that school district.

4 (d) Entities that develop land for residential use in that school  
5 district.

6 2. Monies received from the school facilities board on behalf of the  
7 school district.

8 3. Monies paid by the school facilities board on behalf of the school  
9 district.

10 G. In addition to distributions to school districts based on pupil  
11 growth projections, a school district may submit an application to the school  
12 facilities board for monies from the new school facilities fund if one or  
13 more school buildings have outlived their useful life. If the school  
14 facilities board determines that the school district needs to build a new  
15 school building for these reasons, the school facilities board shall remove  
16 the square footage computations that represent the building from the  
17 computation of the school district's total square footage for purposes of  
18 this section. If the square footage recomputation reflects that the school  
19 district no longer meets building adequacy standards, the school district  
20 qualifies for a distribution of monies from the new school construction  
21 formula in an amount determined pursuant to subsection D of this section.  
22 Buildings removed from a school district's total square footage pursuant to  
23 this subsection shall not be included in the computation of monies from the  
24 building renewal fund established by section 15-2031. The school facilities  
25 board may modify the base cost per square foot prescribed in this subsection  
26 under extraordinary circumstances for geographic factors or site conditions.

27 H. School districts that receive monies from the new school facilities  
28 fund shall establish a district new school facilities fund and shall use the  
29 monies in the district new school facilities fund only for the purposes  
30 prescribed in this section. By October 15 of each year, each school district  
31 shall report to the school facilities board the projects funded at each  
32 school in the previous fiscal year with monies from the district new school  
33 facilities fund and shall provide an accounting of the monies remaining in  
34 the new school facilities fund at the end of the previous fiscal year.

35 I. If a school district has surplus monies received from the new  
36 school facilities fund, the school district may use the surplus monies only  
37 for capital purposes for the project for up to one year after completion of  
38 the project. If the school district possesses surplus monies from the new  
39 school construction project that have not been expended within one year of  
40 the completion of the project, the school district shall return the surplus  
41 monies to the school facilities board for deposit in the new school  
42 facilities fund.

43 J. The board's consideration of any application filed after July 1,  
44 2001 or after December 31 of the year in which the property becomes territory  
45 in the vicinity of a military airport or ancillary military facility as

1 defined in section 28-8461 for monies to fund the construction of new school  
2 facilities proposed to be located in territory in the vicinity of a military  
3 airport or ancillary military facility shall include, if after notice is  
4 transmitted to the military airport pursuant to section 15-2002 and before  
5 the public hearing the military airport provides comments and analysis  
6 concerning compatibility of the proposed school facilities with the high  
7 noise or accident potential generated by military airport or ancillary  
8 military facility operations that may have an adverse effect on public health  
9 and safety, consideration and analysis of the comments and analysis provided  
10 by the military airport before making a final determination.

11 K. If a school district uses its own project manager for new school  
12 construction, the members of the school district governing board and the  
13 project manager shall sign an affidavit stating that the members and the  
14 project manager understand and will follow the minimum adequacy requirements  
15 prescribed in section 15-2011.

16 L. The school facilities board shall establish a separate account in  
17 the new school facilities fund designated as the litigation account to pay  
18 attorney fees, expert witness fees and other costs associated with litigation  
19 in which the school facilities board pursues the recovery of damages for  
20 deficiencies correction that resulted from alleged construction defects or  
21 design defects that the school facilities board believes caused or  
22 contributed to a failure of the school building to conform to the building  
23 adequacy requirements prescribed in section 15-2011. Attorney fees paid  
24 pursuant to this subsection shall not exceed the market rate for similar  
25 types of litigation. Monies recovered as damages pursuant to this subsection  
26 shall be used to offset debt service on the correction of existing  
27 deficiencies as prescribed by section 15-2021. The joint committee on  
28 capital review shall conduct an annual review of the litigation account,  
29 including the costs associated with current and potential litigation.

30 M. Until the state board of education and the auditor general adopt  
31 rules pursuant to section 15-213, subsection I, the school facilities board  
32 may allow school districts to contract for construction services and  
33 materials through the qualified select bidders list method of project  
34 delivery for new school facilities pursuant to this section.

35 N. The school facilities board shall submit a report on project  
36 management services and preconstruction services to the governor, the  
37 president of the senate and the speaker of the house of representatives by  
38 December 31 of each year. The report shall compare projects that use project  
39 management and preconstruction services with those that do not. The report  
40 shall address cost, schedule and other measurable components of a  
41 construction project. School districts, construction manager at risk firms  
42 and project management firms that participate in a school facilities board  
43 funded project shall provide the information required by the school  
44 facilities board in relation to this report.

1           Sec. 11. Calculation of instructional days for fiscal year  
2                               2006-2007

3           Notwithstanding any other law, for fiscal year 2006-2007, the term "one  
4 hundred eighty days" in section 15-341.01, Arizona Revised Statutes, means  
5 one hundred eighty days of instruction or an equivalent number of minutes of  
6 instruction per school year based on a different number of days of  
7 instruction approved by the school district governing board.

8           Sec. 12. Desegregation budget; limit

9           Notwithstanding section 15-910, Arizona Revised Statutes, the maximum  
10 amount that a school district may budget for desegregation activities for  
11 fiscal year 2006-2007 shall be computed as follows:

12           1. Determine the amount that the district budgeted for desegregation  
13 activities for fiscal year 2005-2006 pursuant to Laws 2005, chapter 329,  
14 section 12.

15           2. Compute the percentage increase in average daily membership for the  
16 district, as defined in section 15-901, Arizona Revised Statutes, for the  
17 2005-2006 school year above the 2004-2005 school year. If average daily  
18 membership for the district decreased for the 2005-2006 school year below the  
19 2004-2005 school year, assume a per cent increase of zero.

20           3. Multiply the amount determined in paragraph 1 of this section by  
21 the percentage determined in paragraph 2 of this section.

22           4. Multiply the amount determined in paragraph 1 of this section by  
23 two per cent for assumed inflation.

24           5. Add the amounts determined in paragraphs 1, 3 and 4 of this  
25 section.

26           Sec. 13. Adjustment for rapid decline in student count for  
27                               fiscal year 2006-2007

28           Notwithstanding section 15-942, Arizona Revised Statutes, for fiscal  
29 year 2006-2007, the department of education shall reduce by fifty per cent  
30 the amount of rapid decline funding that a school district would otherwise be  
31 eligible to receive pursuant to section 15-942, subsections A through F,  
32 Arizona Revised Statutes.

33           Sec. 14. Joint technological education districts; basic state  
34                               aid cap; fiscal year 2006-2007

35           Notwithstanding section 15-971, Arizona Revised Statutes, or any other  
36 law, the maximum amount of state aid for equalization assistance for  
37 education that may be apportioned to a joint technological education district  
38 for fiscal year 2006-2007 is one hundred two per cent of the amount that was  
39 apportioned to it for fiscal year 2005-2006 apart from any prior year  
40 adjustments or double the amount of its qualifying tax rate revenues for  
41 fiscal year 2006-2007, whichever is greater.

42           Sec. 15. Joint technological education districts; property tax  
43                               rate cap; fiscal year 2006-2007

44           Notwithstanding section 15-971, Arizona Revised Statutes, or any other  
45 law, the total property tax rate that a joint technological education

1 district levies for fiscal year 2006-2007 shall not exceed the total property  
2 tax rate that it levied for fiscal year 2004-2005.

3 Sec. 16. Temporary prohibition on joining or forming joint  
4 technological education districts

5 A. Notwithstanding sections 15-392 and 15-395, Arizona Revised  
6 Statutes, during fiscal year 2006-2007 school districts shall not be allowed  
7 to:

- 8 1. Form any new joint technological education district.  
9 2. Join or vote to join a joint technological education district.

10 B. Subsection A of this section does not apply to a county with a  
11 population of more than eight hundred thousand persons but less than one  
12 million five hundred thousand persons.

13 Sec. 17. Audits; average daily membership

14 For fiscal year 2006-2007, the department of education or the office of  
15 the auditor general may conduct financial, program or compliance audits,  
16 including average daily membership audits, of school districts and charter  
17 schools.

18 Sec. 18. Teacher experience index; recalculation; exemption

19 Notwithstanding section 15-941, subsection D, Arizona Revised Statutes,  
20 as amended by this act, the teacher experience index for a school district  
21 for fiscal year 2006-2007 may be recalculated after April 15, 2006 if the  
22 school district reported a total attending average daily membership count of  
23 more than five thousand one hundred pupils and less than five thousand two  
24 hundred pupils for the 2004-2005 school year in the annual report of the  
25 superintendent of public instruction for fiscal year 2004-2005. The teacher  
26 experience index calculated for all other school districts on or before March  
27 15, 2006 shall be used in the calculation of their base support level for  
28 fiscal year 2006-2007.

29 Sec. 19. Appropriation; Hayden-Winkelman unified school  
30 district; repayment schedule and terms

31 A. Notwithstanding section 15-2084, Arizona Revised Statutes, the sum  
32 of \$1,865,400 is appropriated from the school improvement revenue bond debt  
33 service fund for fiscal year 2006-2007 to the department of education for  
34 distribution to Hayden-Winkelman unified school district No. 41. The  
35 district shall use the monies solely for the purpose of redeeming its  
36 outstanding series 1995 capital appreciation bonds.

37 B. The district shall levy a tax on the secondary assessment roll to  
38 repay the amount appropriated by this section in three annual installments of  
39 principal and simple interest at the rate of four per cent per year on July  
40 1, 2008, July 1, 2009 and July 1, 2010, but not more than a total sum of  
41 \$696,500 each year. The payments shall be credited to the school improvement  
42 revenue bond debt service fund established pursuant to section 15-2084,  
43 Arizona Revised Statutes.

1 C. Notwithstanding any other law, through July 1, 2015 the district  
2 shall reduce its primary property tax rate each year to fully reflect any  
3 reduction in the qualifying tax rate required by section 41-1276, Arizona  
4 Revised Statutes, and shall not propose or conduct any election to approve:

5 1. Any budget override.

6 2. Any authorization to issue bonds or incur any other form of  
7 district indebtedness.

8 Sec. 20. Appropriation; basic state aid; conditional repeal

9 A. An additional \$71,406,100 is appropriated to the department of  
10 education for basic state aid for fiscal year 2006-2007.

11 B. If the county equalization assistance for education rate used by  
12 the department of education to determine equalization assistance payments for  
13 fiscal year 2006-2007 pursuant to section 15-971, Arizona Revised Statutes,  
14 is greater than \$0.2800, the appropriation provide by subsection A of this  
15 section is repealed.

16 Sec. 21. Average daily membership calculation; pupils in  
17 schools receiving full-day kindergarten funding

18 Notwithstanding section 15-901, subsection A, Arizona Revised Statutes,  
19 as amended by this act, for fiscal year 2006-2007 kindergarten pupils in  
20 schools receiving funding from the full-day kindergarten fund pursuant to  
21 section 15-901.02, Arizona Revised Statutes, shall be counted as one-half  
22 rather than sixty-two per cent of a full-time student.

23 Sec. 22. Appropriation; kindergarten average daily membership  
24 adjustment

25 The sum of \$35,000,000 is appropriated from the state general fund in  
26 fiscal year 2006-2007 to the department of education for basic state aid to  
27 fund kindergarten pupils at sixty-two per cent of a full-time student  
28 pursuant to section 15-901, Arizona Revised Statutes, as amended by this act.

29 Sec. 23. Errors in school district budget calculation;  
30 correction

31 A. Notwithstanding section 15-905, Arizona Revised Statutes, and  
32 section 15-915, Arizona Revised Statutes, as amended by this act, school  
33 districts that miscalculated their budgets during fiscal years 2003-2004 and  
34 2004-2005 shall be required to correct these errors over a five year period  
35 beginning in fiscal year 2006-2007 and ending in fiscal year 2010-2011 if  
36 each of the following conditions exists:

37 1. The school district reported a total attending average daily  
38 membership count of more than four hundred eighty pupils and less than five  
39 hundred pupils for the 2004-2005 school year in the annual report of the  
40 superintendent of public instruction for fiscal year 2004-2005.

41 2. The total amount of the correction that would otherwise be required  
42 under section 15-915, Arizona Revised Statutes, as amended by this act, is  
43 more than six hundred fifty thousand dollars but less than seven hundred  
44 thousand dollars.



1           B. In addition to the monies required to be repaid pursuant to  
2 subsection A of this section, accrued interest is required to be paid at a  
3 rate determined by the superintendent of public instruction.

4           Sec. 24. Retroactivity

5           Section 15 of this act, relating to property tax rate caps, is  
6 effective retroactively to from and after June 30, 2006.